



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-8064

December 13, 1996

EA: 96-446

Mr. Rohn D. Abbott  
Senior Vice President  
Shannon & Wilson, Inc.  
P.O. BOX 70843  
Fairbanks, AK 99707

SUBJECT: NRC INSPECTION REPORT 030-20360/96-01

Dear Mr. Abbott:

On November 5, 1996, the NRC completed a routine inspection of activities performed by Shannon & Wilson, Inc., in Alaska. The inspection findings were discussed with you and members of your staff during a telephonic exit briefing on November 5. The enclosed Inspection Report 030-20360/96-01 documents this inspection.

Based on the results of this inspection, the NRC has determined that violations of NRC requirements occurred. The violations are cited in the enclosed Notice of Violation (Notice) and the circumstances associated with them are described in the enclosed report. The violations involved failures to post current copies of 10 CFR Parts 19, 20, and 21, and Section 206 of the Energy Reorganization Act of 1974. The failure to post, and to maintain, current copies of 10 CFR Parts 19 and 20 is of concern because violations involving 10 CFR Part 20 were identified during the inspection. Had your staff maintained and been familiar with certain requirements in 10 CFR Part 20, the apparent violations discussed below could have been prevented.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. For your consideration and convenience, a copy of NRC Information Notice 96-28, "SUGGESTED GUIDANCE RELATING TO DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION," is enclosed. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In addition, two apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. These violations involved: (1) the failure to limit the dose to an individual member of the public to 0.1 rem total effective dose equivalent for calendar year 1996, and (2) the failure to make surveys of radiation levels in unrestricted and controlled areas to demonstrate compliance with dose limits for individual members of the public. 1/1

The circumstances surrounding the apparent violations, the significance of the issues, and the need for lasting and effective corrective action were discussed with members of your staff at the conclusion of the site visit on September 19, 1996, during a followup

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telephone discussion on November 1, 1996, and during the November 5, 1996, exit briefing. As discussed by your staff during that briefing, Shannon & Wilson, Inc., has taken corrective actions since the conclusion of the inspection. As a result, it may not be necessary to conduct a predecisional enforcement conference in order to enable the NRC to make an enforcement decision. However, a Notice of Violation is not presently being issued for the apparent violations noted above. Before the NRC makes its enforcement decision regarding these two issues, we are providing you an opportunity to either (1) respond to the apparent violations addressed in this inspection report within 30 days of the date of this letter, or (2) request a predecisional enforcement conference within 7 days of the date of this letter.

Your response should be clearly marked as a "Response to An Apparent Violation in Inspection Report No. 030-20360/96-01" and should include for each apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. In presenting your corrective action, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violations. The guidance in the enclosed Information Notice 96-28 may be helpful in preparing your response. Your response should be submitted under oath or affirmation and may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a predecisional enforcement conference.

If you choose not to provide a response and would prefer participating in a predecisional enforcement conference, please contact Ms. Linda Howell at (817) 860-8213 within 7 days of the date of this letter.

In addition, please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your responses will be placed in the NRC Public document Room (PDR). To the extent possible, your responses should not include any personal privacy or proprietary information so that it can be placed in the PDR without redaction.

Shannon & Wilson, Inc.

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Should you have any questions concerning this letter, please contact Ms. Howell at the telephone number identified above.

Sincerely,



Ross A. Scarano, Director  
Division of Nuclear Materials Safety

Docket: 030-20360  
License: 50-23204-01

Enclosures:

1. Notice of Violation
2. NRC Inspection Report 030-20360/96-01
3. NRC Information Notice 96-28
4. NRC Enforcement Policy NUREG 1600

cc w/Enclosures 1&2:  
State of Alaska

bcc w/Enclosure 1 to DMB (IE-07)

bcc w/Enclosure 1 distrib. by RIV:

LJCallan

SJCollins

JLieberman, OE(0-7H5)

DACool, IMNS/NMSS (T-8F5)

GFSanborn:EAFfile

WLBrown

GMVasquez

RAScarano

CLCain

DBSpitzberg

LLHowell

FAWenslawski

EMGarcia

PKHolahan, IMNS/NMSS (T-8F5)

NMI&FC/DB

MIS System

WCFO Materials File (2)

OE:EAFfile (T-8F5)

By E-Mail:

OE:EA(MS 7H5)

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| *EMGarcia   |   | *LLHowell   | CLCain   | GFSanborn | RAScarano |
| 11/21/96    |   | 12/11/96    | 12/ /96  | 12/ /96   | 12/13/96  |

\*Previously Concurred

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bcc w/Enclosure 1 to DMB (IE-07)

bcc w/Enclosure 1 distrib. by RIV:

LJCallan

SJCollins

JLieberman, OE(O-7H5)

DACool, IMNS/NMSS (T-8F5)

GFSanborn:EAFile

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